

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11 Case No.**
:
LEHMAN BROTHERS HOLDINGS INC., et al., : **08-13555 (JMP)**
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Debtors. : **(Jointly Administered)**
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**ORDER APPROVING MOTION OF BNC MORTGAGE LLC,
PURSUANT TO SECTIONS 363(b), 365(a), and 554(a) OF THE BANKRUPTCY
CODE AND RULES 6004, 6006, AND 9014 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE, AUTHORIZING (I) THE REJECTION OF
CERTAIN LEASES AND SUBLEASES OF NONRESIDENTIAL REAL
PROPERTY AND (II) THE SALE OR ABANDONMENT OF *DE MINIMIS* ASSETS**

Upon the motion, dated February 4, 2009 (the “Motion”), of BNC Mortgage LLC (“BNC”), as debtor and debtor-in-possession, pursuant to sections 363(b), 365(a), 554(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for authorization to (i) reject the leases set forth on Exhibit A annexed hereto (the “Leases” or “Leased Properties”) and the subleases set forth on Exhibit B annexed hereto (the “Subleases” or “Subleased Properties”) and (ii) sell or abandon certain miscellaneous assets, including fixtures, furniture, and other office equipment (“FF&E”) without further authorization of the Court, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Motion having been provided in accordance with the procedures set forth in the

order entered September 22, 2008 governing case management and administrative procedures [Docket No. 285] and in the amended order entered February 13, 2009 governing case management and administrative procedures [Docket No. 2837] to (i) the United States Trustee for the Southern District of New York; (ii) the attorneys for the Official Committee of Unsecured Creditors; (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the United States Attorney for the Southern District of New York; (vi) the landlords and sublessees set forth in Exhibit A and Exhibit B to the Motion; and (vii) all parties who have requested notice in these chapter 11 cases, and it appearing that no other or further notice need be provided; and the debtors having filed a certificate of no objection; and the Court having found and determined that the relief sought in the Motion is in the best interests of BNC, its estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is hereby granted; and it is further

ORDERED that pursuant to section 365(a) of the Bankruptcy Code and Bankruptcy Rules 6006 and 9014, the rejection of the Leases, is hereby approved effective as the earlier of (i) the date BNC relinquishes possession of the Leased Properties or (ii) the date of this Order; and it is further

ORDERED that pursuant to section 365(a) of the Bankruptcy Code and Bankruptcy Rules 6006 and 9014, the rejection of the Subleases is hereby approved effective as the date of this Order; and it is further

ORDERED that all time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a); and it is further

ORDERED that any rejection damage claim asserted by the counterparties to the Leases and Subleases shall be filed (subject to all of the BNC's rights, claims and defenses, including rights of setoff with respect to any such claims) on or before the final date for filing proofs of claim in BNC's chapter 11 case to be established by order of this Court, which proofs of claim shall be filed in accordance with the procedures set forth in such order; and it is further

ORDERED that the Debtors are authorized to sell the FF&E owned by BNC located at the Leased Properties and Subleased Properties without further authorization of the Court; and it is further

ORDERED that, pursuant to section 363(f) of the Bankruptcy Code, the sale of the FF&E shall be free and clear of all liens, claims and encumbrances, and any liens, claims and encumbrances thereon shall attach to the net proceeds of the sale of such FF&E with the same force and effect and asserted priority as such liens, claims and encumbrances had against the FF&E, subject to the rights, claims, defenses and objections, if any, of the BNC and all interested parties with respect thereto; and it is further

ORDERED that purchasers of the FF&E sold by BNC pursuant to this Order shall be entitled to the protections afforded by section 363(m) of the Bankruptcy Code in the event of a reversal or modification on appeal of this Order; and it is further

ORDERED that BNC is authorized to take all actions and execute all documents necessary or appropriate to effectuate the sale of any of the FF&E; and it is further

ORDERED that BNC is authorized, pursuant to section 554(a) of the Bankruptcy Code, in its sole discretion to abandon the FF&E; and it further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: February 24, 2009
New York, New York

/s/ James M. Peck
UNITED STATES BANKRUPTCY JUDGE

Exhibit A – Schedule of Leases to be Rejected

Leased Property	Landlord	Notice Address for Landlord	Date of Execution of Lease
1475 South Bascom Avenue Campbell, CA (Suite 101)	Creekside Business Mall LLC	Creekside Business Mall, LLC P.O. Box 4060 Menlo Park, CA 94026	7/14/03
22632 Golden Springs Drive Diamond Bar, CA (Suite 200/210)	Rosemead Properties, Inc.	Rosemead Properties c/o PacificWest Asset Management Co. P.O. Box 19068 Irvine, CA 92623	4/4/03
2655 Warrenville Road Downers Grove, IL (5th Floor of Corridors II Building)	Corridors I & II/Loudoun II SPE Feeco, L.L.C.	Corridors I & II/Loudoun II SPE Feeco, L.L.C., c/o The Alter Group Ltd. Attn: Mr. Ronald Siegel 5500 W. Howard Street Skokie, IL 60077 Lawrence M. Freedman, Ash, Anos, Freedman & Logan, L.L.C. 77 West Washington Street, Suite 1211 Chicago, IL 60602 Alter Asset Management, L.L.C. Attn: Samuel F. Gould 1980 Springer Drive Lombard, IL 60148 Lehman Brothers Bank FSB Attn: John Herman 399 Park Avenue, 8th Floor NY, NY 10022 Stroock & Stroock & Lavan LLP Attn: William Campbell, Esq. 180 Maiden Lane NY, NY 10038	5/13/03
500 North Central Avenue Glendale, CA (Suite 300)	GRE Glendale LLC	GRE Glendale LLC 500 N. Central-Property Manager 500 North Central Ave., Suite 225 Glendale, CA 91203	11/30/2003
5450 West Sahara Avenue Las Vegas, NV (Suite 200)	5450 West Sahara LLC	5450 West Sahara LLC Management Office, 5450 West Sahara Avenue Las Vegas, NV 89146 5450 West Sahara LLC, c/o SCI Property Management, Inc. Attn: Suzann Brent 11620 Wilshire Boulevard, Suite 300 LA, CA 90025	8/12/05

Leased Property	Landlord	Notice Address for Landlord	Date of Execution of Lease
1501 W. Fountainhead Pkwy Tempe, AZ (Suite 130)	Amberjack, LTD	AmberJack, Ltd., c/o Birtcher Arizona, LLC 2400 S. 55th Street Tempe, AZ 85282	8/15/03
16400 Southcenter Parkway Tukwila, WA (Suites 405 and 408)	Sunray Investments LLP	Sunray Investments Partnership, c/o FANA Group of Companies 16400 Southcenter Parkway, #204 Tukwila, WA 98188	6/26/02
300 Galleria Officentre Southfield, MI (Suites 400 and 406)	Galleria Properties, LLC	Galleria Properties LLC 26877 Northwestern Highway Southfield, MI 48033	10/1/04
6300 S. Syracuse Way Centennial, CO (Suite 110)	Legacy III Centennial, LLC	Legacy III Centennial, LLC c/o Legacy Partners Commercial, Inc. Attn: Asset Manager 4000 East Third Avenue, Suite 600 Foster City, CA 94404 Legacy Partners Commercial, Inc. Attn: Property Manager 6300 S. Syracuse Way, Suite 580 Centennial, CO 80111	2/9/04
4100 Midway Road Carrollton, TX (Suite 1110)	CB Office 10, Ltd.	CB Office 10, Ltd. Attn: Mack Dennis 4100 International Parkway, Suite 1100 Carrollton, TX 75007	3/11/05
4100 E. Mississippi Ave. Suite 1000 Glendale, CO	Mountain Towers Properties, LLC	Mountain Towers Properties LLC, c/o CB Richard Ellis Real Estate Services, Inc., Asset Services Attn: Property Manager 4100 East Mississippi Ave. Suite 100 Glendale, CO 80246 Mountain Towers Properties, LLC Attn: Kevin Fay 1000 Potomac Street Northwest, Suite 150 Washington, D.C. 20007	11/19/02
1225 East Fort Union Blvd. Midvale, UT (Suite 100)	Northwest, LLC (Union Park Office Building Salt Lake City L.P.)	Northwest, LLC Thomas M. Lloyd 6925 Union Park Center, Suite 500 Midvale, UT 84047	7/10/02

Leased Property	Landlord	Notice Address for Landlord	Date of Execution of Lease
1051 Perimeter Drive Schaumburg, IL (Suite 650)	Beneficiaries of North Star Trust Company Title Holding Land Trust	Beneficiaries of North Star Trust Company Title Holding Land Trust, c/o Marc Realty LLC 55 East Jackson Boulevard, Suite 500 Chicago, IL 60604	9/5/03

Exhibit B – Schedule of Subleases to be Rejected

Leased Property	Subtenant	Notice Address for Subtenant	Date of Execution of Sublease
6300 S Syracuse Way, Centennial, CO (Suite 110)	Redd Shell Corporation (Subtenant) Trustwave Holdings, Inc. (Subsublessee)	Redd Shell Corporation Attn: James Paul 6300 South Syracuse Way Suite 110 Centennial, CO 80111 Beth Newcomb LLC Attn: Beth Newcomb 726 S. Gaylord Street, Denver, CO 80209 Trustwave Holdings, Inc. 70 W. Madison Street, Suite 1050 Chicago, IL 60602	5/24/06
4100 Midway Road Carrollton, TX (4,915 s.f.)	Aimbridge Hospitality, LP	Aimbridge Hospitality, LP Attn: Leslie V. Bentley 4100 Midway Road, Suite 2115 Carrollton, TX 75007 Carla S. Moreland, Esq. 5112 Briargrove Lane Dallas, TX 75287	2/08
4100 Midway Road Carrollton, TX (5,488 s.f.)	Wingspan Portfolio Advisors, LLC	Wingspan Portfolio Advisors, LLC Attn: Mr. Steve Horne 8124 Weiss Avenue Plano, TX 75025 Andrews Kurth, LLP Attn: Bill Rivers 1717 Main Street Dallas, TX 75201	8/14/08
4100 East Mississippi Avenue Glendale, CO (Suite 1000)	Lehman Brothers Bank, FSB	Lehman Brothers Bank, FSB Attn: Chief Operating Officer 10350 Park Meadows Drive Littleton, CO 80124 Lehman Brothers Bank Attn: General Counsel 1000 West Street Wilmington, DE 19801 Aurora Loan Services Attn: Legal Department 10350 Park Meadows Drive Littleton, CO 80124	5/24/07

Leased Property	Subtenant	Notice Address for Subtenant	Date of Execution of Sublease
1225 East Fort Union Boulevard Midvale, UT 84047 (Suite 100)	The Training Authorities, LLC	The Training Authorities, LLC Attn: Jim Kelly 3529 Gabel Road Billings, Montana 59102 Herndon & Sweeney, P.C. Kevin C. Sweeney, Esq. P.O. Box 80050 Billings, Montana 59102	3/28/08
1051 Perimeter Drive Schaumburg, IL (Suite 650)	HTC America, Inc.	HTC America, Inc. Attn: Waiman Lam 13920 Southeast Eastgate Way, Suite 400 Bellevue, WA 98005 Perkins Coie, LLP Attn: Jerry Lutz The PSE Building, 10885 N.E. Fourth Street, Suite 700 Bellevue, WA 98004	11/10/06

